

This review assesses recent economic trends with particular emphasis on changes to official development assistance strategies and the regional free-trade agenda. These issues are examined from different perspectives including those of donors, the Pacific Islands Forum, and nongovernment organizations (NGOs) in the field. In particular, a milestone was reached at the Forum with the signing of the Pacific Islands Countries Trade Agreement. In relation to aid, Australia has developed a unique strategy for exporting its refugee problem by inducing island states to host detention centers. The merits of the now infamous "Pacific Solution" are assessed. Finally, developments in West Papua are examined, as this has significant ramifications for human rights and regional security.

It is well nigh impossible to obtain reliable economic statistics from the Pacific Island countries for the immediately preceding year. Discussions of economic performance and trends must therefore rely on data up to two years old. Moreover, it is not particularly instructive to merely examine economic indicators from one year in isolation. For these reasons, the following analysis draws on statistics collected in the late 1990s to ascertain broad patterns and their significance.

In recent years several of the region's major donors—including Australia, the United States, the European Union, and the Asian Development Bank (ADB)—have undertaken reviews of economic development and

aid. The peak nongovernment aid body, the Australian Council for Overseas Aid (ACFOA), has also engaged in an assessment of overseas development assistance and the role of nongovernment organizations in providing support including aid to the Pacific. It is timely to analyze the state of the debate concerning Pacific Islands development and aid.

An assessment by the Asian Development Bank concluded that economic performance in its twelve member Pacific Island countries was disappointing in the 1990s, notably when measured in terms of growth in gross domestic product. The average growth rate in the 1990s was around 3.5 percent. However, the late 1990s were volatile due to the combined effects of the Asian economic crisis and natural disasters, resulting in a negative regional growth rate of 3.2 percent in 1997. Papua New Guinea recorded almost zero growth in the five years ending in 1999. Conversely, 1999 was identified as the year of recovery for the Pacific overall. Papua New Guinea and Fiji began to improve after an extended downturn. With the exception of Papua New Guinea, inflation declined in the Pacific Island countries in the late 1990s mainly due to deflationary pressures in the world economy. The overall balance of payments position of most Pacific Island countries improved. The Asian Development Bank attributed the improved outlook largely to the fact that several Pacific Island countries engaged in economic reforms, which began to

reap benefits by the end of the decade (ADB 2000, 1–2).

Notwithstanding the region's chronic dependence on imports and aid, the economic outlook was generally positive in the late 1990s. This was shattered by political instability and violence in Fiji and the Solomon Islands in mid-2000, with devastating economic effects that rippled through the region as a whole (see von Strokirch 2001). Both countries experienced negative growth, unemployment, loss of business confidence, strains on government finances, and severe balance of payments difficulties. In the Solomon Islands the key export-earning industries of palm oil, gold, fish canning, and tourism shut down altogether as a consequence of the crisis.

Statistics on growth and financial management do not accurately portray quality of life. There is agreement among analysts, including the Asian Development Bank, AusAID, and the Australian Council for Overseas Aid, that poverty is on the increase in the Pacific Islands. The Pacific Island countries still enjoy relatively high per capita incomes, high per capita aid, and productive subsistence sectors by global developing country standards. However, high costs, weak economic performance, aging infrastructure, rapid population growth, urban drift, widening inequality, and the erosion of traditional support networks have all combined to exacerbate poverty.

Of course the Pacific Island countries experience poverty to differing degrees. The populous Melanesian states of Solomon Islands, Vanuatu, and Papua New Guinea are worst off and rate very poorly in measurements of both human development and

poverty according to United Nations indexes. The Federated States of Micronesia, Kiribati, Nauru, and the Republic of the Marshall Islands rank in the middle level of developing nations, whereas the Cook Islands, Fiji, Sāmoa, Tonga, and Tuvalu exhibit the least poverty. Measures of poverty include life span, child weight, literacy, and access to clean water and health services (UNDP 1999).

Clearly the need for foreign aid to promote sustainable development in the Pacific Islands and thereby combat poverty has not diminished. However, the amount of aid provided has remained fairly static, while some external donors have reduced their commitments to the region. The United States and the United Kingdom significantly reduced their aid for budgetary reasons and because of changing priorities in the wake of the Cold War. Australia maintains that it has cushioned the Pacific Island countries from reductions to the global aid budget, but in real terms Australian aid to the region is also slowly declining. However, other countries, including China, Taiwan, and France, have increased their presence and overseas development assistance to the region, with a view to winning friends and influence among the small island states.

The US General Accounting Office recently published a useful overview of trends in overseas development assistance to the Pacific Islands over the last decade. From 1987 to 1999 seven top donor countries and organizations provided about \$11 billion, or 93 percent, of all development assistance to the Pacific Island countries. In descending order of contribution,

the five bilateral donors are Australia (\$3.8 billion), the United States (\$3.1 billion), Japan (\$1.6 billion), New Zealand (\$685 million), and the United Kingdom (\$394 million), while the two multilateral donors are the European Union (\$900 million) and the Asian Development Bank (\$506 million). French "aid" to its territories and the wider Pacific is excluded from this and most other overseas development assistance reports.

Major donors tend to target their assistance to a select few recipients. For example, 75 percent of Australia's overseas development assistance to the region over a decade went to Papua New Guinea because of historical associations and concerns over regional security, but also due to Papua New Guinea's size and humanitarian need. Similarly, 91 percent of US assistance went to its former UN Trust Territories with which it now has Compacts of Free Association: the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau. The European Union and the Asian Development Bank allocated more than half their aid, respectively, to two recipients: EU aid went to Papua New Guinea and the Solomon Islands, and ADB assistance went to Papua New Guinea and Sāmoa. Many of the other Pacific Island countries are also reliant on a single donor for most of their overseas development assistance (USGAO 2001, 8, 26).

An important trend in the 1990s was the shift in approaches to delivering aid. In the past, a major form of overseas development assistance had been through budgetary assistance, particularly between metropolitan powers and their associated island

territories. Low levels of control over aid funds were maintained partly because of guilt over colonial exploitation, but also because during the Cold War a primary concern of western donors was to maintain friendly relations with microstates. In the 1990s these donor policies changed to demand greater accountability. Aid has since been targeted toward technical assistance, infrastructure projects, training programs, and sector-wide programs in areas such as health or education. Donors have also helped to set up trust funds as a way of providing self-sustaining revenue and reducing long-term aid dependence for small atoll states (USGAO 2001, 17).

Objectives and associated jargon on the part of major aid donors have steadily converged. In the early 1990s, regional aid donors followed the lead of the World Bank in focusing on private sector development, downsizing the public sector, and fostering "good governance," especially of public finances. Of the bilateral donors, the Australian government has been most committed to pushing this agenda. For example, in 1995 AusAID launched a Policy Management and Reform Fund to allocate grants competitively between island countries based on their preparedness to engage in reform. In Papua New Guinea the World Bank has been the leading multilateral agency responsible for imposing structural adjustment programs, while in the Republic of the Marshall Islands, Federated States of Micronesia, Sāmoa, Cook Islands, Fiji, and Vanuatu, the Asian Development Bank has directed such reforms (MacLellan, 2001).

An associated trend is that the

major donors have become progressively more committed to coordinating their overseas development assistance to the region. From 1995 to 2000 the Asian Development Bank convened eleven group consultative meetings between aid donors concerned with particular Pacific Island countries. In 2001 the top aid donors and the United Nations held a meeting to discuss regional assistance strategies, while a joint meeting was held to confer on the Solomon Islands crisis. In the same year, Australia and New Zealand moved to formally coordinate their regional aid policy and advised regional economic ministers accordingly. Ostensibly this approach is designed to render aid delivery more effective and predictable for recipients. Coordination by powerful donors could also be perceived as a means of imposing an often unwanted agenda on the microstates.

Many among civil society, nongovernment organizations, and academics have been critical of the current donor obsession with good governance, which is construed variously as a means of explaining away flaws in donor policies, legitimating a reduction in aid, disciplining states, or mollifying aid skeptics or victims of restructuring within donor states (Macpherson and Macpherson 2000). Another problem is that the donor fixation on institutional strengthening within the Pacific Island countries has led to neglect of other development needs, such as maintaining essential infrastructure and services, rural outreach, and social welfare more broadly. For some time it blinded donors to the socioeconomic and thus the political and security consequences

of restructuring and related austerity measures. A dramatic example was the popular response in 2001 to such policies being imposed on Papua New Guinea.

In March, PNG troops rebelled against the government's adoption of a Commonwealth review group's proposal for significant cuts to the size and operations of the defense force. During the ten-day crisis that ensued, soldiers drew connections between their plight and the structural adjustment program supported by the World Bank, the Asian Development Bank, and Australian advisors. In this way, their protest linked up with those of students, trade unionists, and others dissatisfied with the nature, pace, and impact of economic reforms. The government backed down on the military reform and granted amnesty to the rebels. However, it proceeded with privatization of key national assets and utilities to meet World Bank and International Monetary Fund conditions, thus prompting further mass protest, which resulted in several people being shot by police in late June (PNB, April, June, and July 2001).

After nearly a decade of concerted campaigning for "good governance" and structural adjustment reforms, it seems that regional aid donors have been rethinking their policy and practice, and are beginning to acknowledge the need for modification. While they have not abandoned their commitment to reforming "inefficient" governments, they are recognizing other development needs as well as the imperative to persuade civil society of the merits of particular policies.

The ADB Pacific Strategy for the New Millennium is indicative of

emerging donor attitudes. It undertook a review and concluded that certain priorities and methods for delivering aid were being neglected. The salutary lessons included the need for stronger islander ownership of policy reform and for development projects to take local culture and capacities into account. The Asian Development Bank continued to support economic management, governance, public sector reform, and private sector development. Yet in addition it now advocated a more active role for women in all spheres, sustainable environmental management, poverty reduction as a unifying theme, and an inclusive role for civil society (ADB 2000). The same themes were evident in the Cotonou agreement defining the priorities and approaches for delivering European Union aid to its African, Caribbean, and Pacific (ACP) partners (Cotonou 2000).

Nongovernment organizations working in this field are pleased at the progressive new tone of these key multilateral aid donors, albeit rather puzzled that the above approaches have been announced as though they were revelations. In fact agencies in the NGO community and also the United Nations have been long-standing advocates of poverty reduction, inclusion of women, sustainability, and consultation with civil society as guiding principles in the provision of aid. However, nongovernment organizations are skeptical as to whether the newfound rhetoric of regional aid donors will be matched by a genuine follow-through in practice.

A notable and potentially radical element of the new donor rhetoric is the emphasis on being more inclusive

of civil society in designing and implementing development strategies. This change stems from a belated recognition that failure to consult with the range of affected stakeholders can result in a policy being poorly received and ineffective, or in a worst-case scenario, violently opposed. While the Pacific has witnessed national mass protests against harsh economic reforms, burgeoning anti-globalization campaigns have alarmed governments and capitalists the world over. Nongovernment organizations have also become more effective as lobby groups in the regional and global arenas, in part due to the revolution in communications such as the Internet.

UN agencies were among the first to acknowledge the importance of consulting representatives of civil society, usually in the form of established nongovernment organizations, in discussions of any significant social, economic, or environmental initiative. The involvement of key nongovernment organizations has become a feature at UN conferences. The European Union also appears committed to consulting widely with regional nongovernment organizations before deciding how to allocate development funds. The World Bank, Asian Development Bank, and the Commonwealth Secretariat have developed policy on NGO consultation. The Pacific Islands Forum (PIF) Secretariat is tentatively following suit and recently set up an NGO Policy Consultation Framework in an effort to facilitate dialogue with civil society.

The Forum Secretariat intends its NGO consultation framework to enhance understanding of economic, social, and political issues through

formalized linkages with nongovernment organizations, thereby improving regional development and coordination. The focus is on a two-way flow of general information between the Pacific Islands Forum and nongovernment organizations, and coordination on specific issues. The Secretariat has limited formal consultation with particular types of nongovernment organizations, which must be legally constituted and representing elected national bodies, focused on the Pacific region, working in key areas of Secretariat activities, and actively engaged with PIF island governments or development partners. The Pacific Islands Association of Non-Governmental Organizations and the Pacific Conference of Churches are the only two regional nongovernment organizations to be named as permanent members of the PIF advisory group. Other representatives will be chosen from nongovernment organizations specializing in gender, environment, community development, and the business sector (PIF 2000).

Another policy on which most regional aid donors are agreed is the need for the Pacific Island countries to engage in trade liberalization as a means of reducing inefficiency in export sectors and facilitating integration into the global economy. This perspective is integrally related to the donor push for improved economic management by governments and structural reforms of island economies. Australia, in particular, has linked up with multilateral agencies to promote the regional free-trade agenda. In recent years the European Union and Australia have dismantled preferential trade agreements with the Pacific

Islands in order to establish new arrangements consistent with World Trade Organization (WTO) requirements and Asia Pacific Economic Cooperation (APEC) guidelines. APEC is an open free-trade area, rather than an exclusive trade bloc like the European Union.

The Cotonou Agreement is a twenty-year aid and trade package signed by the European Union and its ACP partners in Benin in June 2000. The culmination of years of negotiation, it replaced the Lomé convention, which had extended nonreciprocal trade preferences to ACP members since 1975. However, these trade preferences discriminated against other developing countries and thus contravened WTO regulations. The Cotonou Agreement requires negotiations for WTO-compatible trade arrangements to begin by September 2002. These must be concluded and in force by 2008 at the latest. During the transitional period, existing arrangements will continue although states will be encouraged to begin liberalization efforts. Originally the ACP group included eight Pacific island states; they have been joined by six new members. Collectively they will receive 29 million Euro in aid for regional development over the period 2001–2005 (Cotonou 2000; Maclellan 2001).

The European Union's aim for the ACP economies is to promote their smooth and gradual integration into the world economy; enhance production, supply, and trading capacities; create new trade dynamics and foster investment; and ensure full conformity with WTO provisions (Cotonou 2000). To facilitate implementation of a

Pacific free-trade area, the European Union has provided technical assistance in the form of three experts based at the Forum Secretariat to advise on trade policy, trade development, and fiscal reform. The trade provisions and aid from Cotonou have lent further impetus for the Pacific to create its own regional free-trade area.

The issue of regional trade and economic integration had first been raised at the inaugural Pacific Islands Forum in 1972. It was not until 1997 that the PIF economic ministers put the concept back on the agenda. By 1999, leaders had endorsed the notion of a free-trade area in principle and directed officials to begin drafting an agreement. The texts of a Pacific Agreement on Closer Economic Relations (PACER) and a Pacific Island Countries Trade Agreement (PICTA) were finalized at the Forum trade ministers meeting in June 2001 in Sāmoa. These texts were then opened for signature at the Forum heads of government meeting held in Nauru in August 2001. Leaders hoped that prompt ratification by the minimum of six states would allow the agreements to enter into force by the time of the next Forum (PIF 2001).

The Pacific Agreement on Closer Economic Relations is an economic cooperation agreement setting out the region's vision on future trade and economic relations. It provides for cooperation, financial and technical assistance in areas such as trade promotion, capacity building and structural adjustment. The Pacific Island Countries Trade Agreement specifies that the fourteen Forum island countries will reduce trade tariffs to zero on goods traded among themselves

while maintaining their barriers against imports from elsewhere. The majority of tariffs within the region would be phased out by 2010 for larger economies and 2012 for small island states and least-developed countries. A longer period will be allowed for a select few imports to protect weak industries. Governments are urged to adopt alternative taxes to compensate for the loss of tariff revenue. The trade agreement covers all trade in goods but not services. One of the long-term aims of the Forum is to create a fully integrated regional market covering all economic transactions. PICTA membership of Australia and New Zealand proved contentious. A compromise allowed the island states to proceed with their free-trade area while allowing the metropolitan powers to be privileged PACER trade partners (*PNB*, Aug 2001, 4–5; Sept 2001, 12–13).

Secretary General of the PIF Secretariat Noel Levi issued an impassioned plea for support of the PICTA concept at a working party meeting back in February 2001. He said that Forum island countries “must face the reality that they can no longer isolate themselves nor are they immune to globalisation and its effects.” Moreover, “regional integration provides a training ground where we can prepare our economies to be more efficient through increased economies of scale, before they are subjected to the rigors of full global competition” (*PNB*, March 2001, 12). Levi continued his crusade for PICTA acceptance at the 2001 Forum. He claimed that it “represented the region's best chance of maintaining its current market access into the European Union, as well as

future market opportunities.” He warned that job losses would be the price for not adopting a free-trade area (*PNB*, Aug 2001, 4).

Some Pacific Island leaders have been skeptical about the merits of integrating with the global capitalist economy and expressed their concerns at January’s conference of Pacific leaders. However, the full weight of the European Union, Australia, New Zealand, the Asian Development Bank—all major aid donors—and the Forum Secretariat was thrown behind the Pacific free-trade agenda, not to mention the authority of Asia Pacific Economic Cooperation and the World Trade Organization. PIF governments had little option but to conform. Noel Levi emphasized that the idea was the Forum’s own creation dating back to its inception. Critics believe that the attempt to market the concept as the “culmination of a regional dream is aimed at legitimating the proposal . . . to create a strong sense of ownership among Pacific governments” (*PNB*, Sept 2001, 12–13). The Forum expects any adverse social impacts from the Pacific Island Countries Trade Agreement to be small, but has not provided evidence to support this assertion. Nongovernment organizations such as the new Pacific Network on Globalisation are concerned that yet again a significant policy has been pushed through without adequate public debate.

Global insecurity combined with the domestic politics of a significant regional aid donor to bring pressure to bear on island leaders in early September when Australia sought volunteers for its “Pacific Solution” to off-load asylum seekers. The saga began on 26

August when a Norwegian cargo ship picked up more than 400 mainly Afghan refugees from a sinking ferry. The *Tampa* sought permission to unload its human cargo at Christmas Island but was refused the right of entry. The *Tampa* then defied Australian demands to return the refugees to Indonesia and instead entered Australian waters, prompting Special Air Service troops to board the ship. The eight-day drama ended with the asylum seekers being transferred to a troop carrier for transportation to Papua New Guinea and thereafter being sent by air to Nauru and New Zealand for processing of their claims.

Australia’s conservative coalition government headed by John Howard ostensibly adopted the “Pacific Solution” as a means of stemming the influx of what they termed “illegal immigrants” and “queue jumpers.” However, the rhetoric suggested that it was a thinly disguised attempt to capitalize on the xenophobia of many Australians, create a scapegoat for social ills, and thus divert attention from the government’s policy record in the lead-up to a federal election in November. The September 11th attacks on the United States ensured that the Australian public was even less inclined to accommodate refugees from Afghanistan and the Middle East, whom the government was quick to consider potential terrorists. As public opinion overwhelmingly supported the policy, the government became determined to pursue the Pacific Solution, no matter what the cost.

Nauru and New Zealand were the first to acquiesce to Australian requests to take the asylum seekers. Australia offered to pay all the costs

of housing and processing the boat people in Nauru and offered the tiny island republic an additional US\$10 million in aid in return for their cooperation. In the first instance, the financially stricken country had its power supplies paid up for several months, scholarships doubled, and a US\$500,000 bill to Australian hospitals written off. By December, long-term aid projects had been designed in the areas of health, education, and waste management (MOU 2001). With hindsight Nauru could have asked for more, given that Australia was alleged to have spent US\$10 million a day for military operations during the height of the *Tampa* crisis.

With a total land area of 21 square kilometers for its 11,500 long-term residents, Nauru was not well placed to receive an unending flow of asylum seekers. Australia thus began to sound out other Pacific Island states to host refugee processing centers. By October Kiribati, Fiji, Palau, Tuvalu, and Papua New Guinea had held discussions with Australian officials. Fiji was offered US\$4 million to cover the costs of setting up a center and US\$4 million in aid (PIR, 11 Nov 01). Opposition to the proposal grew quickly from across the political spectrum in Fiji. Former Prime Minister and Labour leader Mahendra Chaudhry said Australia's offer was a shameful display of checkbook diplomacy (PIR, 27 Oct 01). President Ratu Josefa Iloilo believed that major problems in Fiji, such as the land lease issue, needed resolution. Allowing refugees into the country would only create more problems. Similarly, the Great Council of Chiefs was opposed because Fiji needed to focus on deal-

ing with the effects of the 2000 coup. The government duly turned down the Australian proposal.

Despite strong domestic opposition, Papua New Guinea did agree to host over 200 mainly Iraqi asylum seekers on Manus Island in return for at least US\$500,000 in aid (PIR, 17 Oct 01). It withheld the option of taking more at a later date. In view of the knock-backs from the other four candidates, Australia asked Nauru to take more refugees. By year's end Nauru had received several shipments totaling over 1,100 refugees and another aid bonus of US\$5 million (PIR, 11 Dec 01). Papua New Guinea was also gearing up to receive more. Both Nauru and Papua New Guinea had agreed to take the boat people on condition that their claims be processed promptly and that they depart by the end of May. This commitment may not be easy to honor in practice. Ireland and New Zealand have agreed to accept small numbers of approved refugees while other developed nations see it as Australia's responsibility.

A tough anti-immigrant stance combined with public insecurity over terrorism played a major role in the conservative coalition's winning a third term in office in Australia. By any other measure the Pacific Solution can hardly be heralded as a success. In financial terms, cabinet documents indicate that the government has spent US\$148 million on sending asylum seekers to the Pacific while it is budgeting US\$100 million per annum for the policy to continue. These amounts are double the original estimates and certainly far in excess of the cost of processing refugees in Australia itself (PIR, 25 Jan 02). There is also no

evidence that the Pacific Solution has deterred asylum seekers, who are determined to flee persecution at great personal risk despite the dual policies of mandatory detention and processing claims in Pacific islands. The issue has proved extremely divisive for the multicultural Australian community. The Australian Senate is holding a full inquiry into the government's handling of asylum seekers in 2002.

There is also concern over what the Pacific Solution has cost Australia in terms of its reputation as a "good international citizen." The international community has been united in disapproval of the Pacific Solution as it is felt Australia should process incoming refugees on its own territory. The UN High Commission on Refugees has indicated that Australia should accommodate most of the successful refugee applicants, whereas Australia has steadfastly refused to shoulder the burden alone. Australia has faced a constant stream of criticism from refugee agencies, and church and human rights groups. International critics, including regional ones, have made the obvious point that Australia—with its vast land area, stable society and superior economic position—is far better equipped to host refugees than the island micro-states.

For Pacific Islanders land is a precious commodity, and in many countries there is chronic conflict over landownership and use rights. The integration of immigrant communities has also posed a major challenge for affected nations, contributing to periods of political instability and insecurity. It is not surprising that most countries opted not to participate in

the Pacific Solution despite the substantial aid enticements. Conversely, one can understand why Nauru and Papua New Guinea did not pass up the opportunity for additional income and donor goodwill, in view of their parlous economic circumstances. The Pacific Council of Churches and regional nongovernment organizations appealed to Pacific governments to carefully consider the long-term consequences and impacts of accepting aid deals in connection with refugees. They believed it could impact adversely on communal life as well as sovereignty (*PNB*, Oct 2001, 8).

The multimillion dollar funds expended on the Pacific Solution would better be directed to sustainable regional development than wasted on long-distance transportation of refugees, construction and staffing of detention centers, and ad hoc aid. Instead of trying to deter refugees by harsh mandatory detention and re-exportation to diminutive neighbors, Australia could cooperate with UN agencies and other nations in tackling the root causes of mass refugee movements, for example, by providing much needed aid, human rights monitoring, and preventive diplomacy in known trouble spots. A potential refugee crisis is developing in Melanesia, which Australia and the Forum have done little to address, much less prevent. The Indonesian province of West Papua (Irian Jaya) is shaping up to be another East Timor in more ways than one (see von Strokirch 2001).

It is disturbing that the newly appointed commander of the Indonesian military forces (TNI) in West Papua, Major-General Simbolon, has

served no fewer than six tours of duty in East Timor, including the original invasion. He played a key role in counter-insurgency operations, and until 1999 he was chief of staff at the Balinese command in overall charge of East Timor. This was the period during which Indonesia employed armed militia to oppose the independence campaign and there is already evidence of such militias forming in West Papua. Tensions were high after the December 2000 arrest of Papua Council Presidium leaders. In January 2001 four members of Indonesia's special Kopassus forces were killed in an exchange with guerrillas from the *Organisasi Papua Merdeka* (OPM). In addition, an OPM senior commander, Mathias Wenda, and twelve of his men were arrested in PNG territory and received prison sentences. Human rights observers are concerned that Wenda and his deputy could be deported to Indonesia after serving their sentences (PNB, Feb 2001, 11).

In the face of increased operations against them by Indonesia, and to a lesser extent Papua New Guinea, the West Papuan independence movement has strongly lobbied the Pacific Islands Forum to gain support for its self-determination. In particular they seek to have West Papua reinscribed on the UN list of non-self-governing territories; the 1969 "Act of Free Choice" reexamined; a UN mission to investigate human rights abuses; and observers to monitor the trials of West Papuan leaders. A delegation from the Papua Council Presidium toured the region in mid-2001 to explain these aims and also their quest for official observer status at the forthcoming Forum (PNB, June 2001).

Because of considerable sympathy for the West Papuan cause among Pacific Island states, West Papua had, for the first time, been allowed a presence at the 2000 Forum and were accorded a reference in the official communiqué. Unfortunately, internal divisions within the West Papua independence movement led to their representatives being banned by Nauru from attending the 2001 annual meeting. In contrast, Indonesia was formally granted the status of dialogue partner and attended its first Forum with an eight-member delegation including many high-level pro-Jakarta West Papuans. Indonesia also revealed plans to open an embassy in Suva. The final communiqué was a mixed blessing for the West Papuans. It expressed concern over continuing violence in Papua and asked that both sides uphold human rights, yet it explicitly recognized Indonesia as the sovereign authority and supported the form of autonomy Indonesia was preparing for the province even though West Papuans have rejected this status (PIF 2001; PNB, Aug 2001). The Forum announced that it would "closely follow developments" in West Papua, but how this was to be done and what actions would result were not clear.

Reports suggest that human rights abuses have been continuing since the fall of Suharto, even under the moderate president, Abdurrahman Wahid. The West Papuan Institute for Human Rights Studies and Advocacy (ElsHAM) reported that from 1998 to 2000 there were 80 cases of summary execution and 500 cases of arbitrary arrest including torture. The ElsHAM director also alleged that Indonesian

forces have been infiltrating the OPM and other elements of the independence movement in an effort to cause disunity and provoke actions that could justify military repression. In another divide-and-rule strategy, the army has fostered sectarian divisions between Christian and Muslim residents and between different indigenous groups (*PNB*, Sept 2001, 3). Papuan religious leaders believe that “the violence is not incidental, that there is a systematic and planned cycle of violence” (*PNB*, Oct 2001, 3). According to the Institute for Human Rights Studies and Advocacy and Amnesty International, these trends persisted in 2001 and showed no signs of abating under the hard-line nationalist president, Megawati Sukarnoputri.

The Indonesian parliament did pass a special autonomy bill for West Papua on 23 October, giving the province greater power and revenue; however, the Papuan Presidium Council dismissed the concession as ignoring their aspirations for self-determination. The council also called for a halt to both TNI and OPM military operations (*PNB*, Oct 2001, 3). In view of the Presidium’s efforts to promote peaceful dialogue, it is ironic that Indonesia proceeded with trials for leading council members charged with subversion. Even more alarming was the murder in November of Theys Eluay, chairman of the council. Eluay was also on trial, but he had been released pending the judicial outcome. He was abducted on his way home from an Indonesian military base and there are strong suspicions among local nongovernment organizations about Kopassus involvement in his

death. The appointment of a joint police and military team to investigate his murder was thus decried as a cover-up (*PNB*, Nov 2001, 8).

Eluay played a complex role in West Papuan politics. In the 1980s and early 1990s he was a provincial representative for the ruling Golkar party and had close ties with the local Indonesian military. After the fall of Suharto in 1998, he became an active supporter of independence. He was still distrusted by many activists, especially the OPM who had been fighting a guerrilla war since the 1970s. The OPM also rejected Eluay’s call for peaceful dialogue with Jakarta. This strategic issue combined with personality conflicts contributed to continuing divisions within the movement. Nevertheless, Eluay was a charismatic leader who quickly developed a popular following. This led to his election as leader of the inaugural Papuan Presidium Council in 2000 (*PNB*, Nov 2001, 9). If Indonesian forces were responsible for Eluay’s death, it is unclear what advantage they sought to gain. Not only has one of the leading advocates for nonviolence been removed, but an inspirational martyr for the independence movement has been created where there was none before.

KARIN VON STROKIRCH

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